



Rep. Michael J. Zalewski

Filed: 2/28/2012

09700HB5439ham001

LRB097 17973 HLH 66386 a

1 AMENDMENT TO HOUSE BILL 5439

2 AMENDMENT NO. _____. Amend House Bill 5439 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Property Tax Code is amended by changing
5 Sections 15-175 and 15-177 as follows:

6 (35 ILCS 200/15-175)

7 Sec. 15-175. General homestead exemption. Except as
8 provided in Sections 15-176 and 15-177, homestead property is
9 entitled to an annual homestead exemption limited, except as
10 described here with relation to cooperatives, to a reduction in
11 the equalized assessed value of homestead property equal to the
12 increase in equalized assessed value for the current assessment
13 year above the equalized assessed value of the property for
14 1977, up to the maximum reduction set forth below. If however,
15 the 1977 equalized assessed value upon which taxes were paid is
16 subsequently determined by local assessing officials, the

1 Property Tax Appeal Board, or a court to have been excessive,
2 the equalized assessed value which should have been placed on
3 the property for 1977 shall be used to determine the amount of
4 the exemption.

5 Except as provided in Section 15-176, the maximum reduction
6 before taxable year 2004 shall be \$4,500 in counties with
7 3,000,000 or more inhabitants and \$3,500 in all other counties.
8 Except as provided in Sections 15-176 and 15-177, for taxable
9 years 2004 through 2007, the maximum reduction shall be \$5,000,
10 for taxable year 2008, the maximum reduction is \$5,500, and,
11 for taxable years 2009 and thereafter, the maximum reduction is
12 \$6,000 in all counties. If a county has elected to subject
13 itself to the provisions of Section 15-176 as provided in
14 subsection (k) of that Section, then, for the first taxable
15 year only after the provisions of Section 15-176 no longer
16 apply, for owners who, for the taxable year, have not been
17 granted a senior citizens assessment freeze homestead
18 exemption under Section 15-172 or a long-time occupant
19 homestead exemption under Section 15-177, there shall be an
20 additional exemption of \$5,000 for owners with a household
21 income of \$30,000 or less.

22 In counties with fewer than 3,000,000 inhabitants, if,
23 based on the most recent assessment, the equalized assessed
24 value of the homestead property for the current assessment year
25 is greater than the equalized assessed value of the property
26 for 1977, the owner of the property shall automatically receive

1 the exemption granted under this Section in an amount equal to
2 the increase over the 1977 assessment up to the maximum
3 reduction set forth in this Section.

4 If in any assessment year beginning with the 2000
5 assessment year, homestead property has a pro-rata valuation
6 under Section 9-180 resulting in an increase in the assessed
7 valuation, a reduction in equalized assessed valuation equal to
8 the increase in equalized assessed value of the property for
9 the year of the pro-rata valuation above the equalized assessed
10 value of the property for 1977 shall be applied to the property
11 on a proportionate basis for the period the property qualified
12 as homestead property during the assessment year. The maximum
13 proportionate homestead exemption shall not exceed the maximum
14 homestead exemption allowed in the county under this Section
15 divided by 365 and multiplied by the number of days the
16 property qualified as homestead property.

17 "Homestead property" under this Section includes
18 residential property that is occupied (i) by its owner or
19 owners as his or their principal dwelling place, or (ii) ~~that~~
20 ~~is a leasehold interest on which a single family residence is~~
21 ~~situated, which is occupied~~ as a residence by a person who has
22 a legal or equitable an ownership interest therein, other than
23 as a lessee, legal or equitable or as a lessee, and on which
24 the person is liable for the payment of property taxes. For
25 land improved with an apartment building owned and operated as
26 a cooperative or a building which is a life care facility as

1 defined in Section 15-170 and considered to be a cooperative
2 under Section 15-170, the maximum reduction from the equalized
3 assessed value shall be limited to the increase in the value
4 above the equalized assessed value of the property for 1977, up
5 to the maximum reduction set forth above, multiplied by the
6 number of apartments or units occupied by a person or persons
7 who is liable, by contract with the owner or owners of record,
8 for paying property taxes on the property and is an owner of
9 record of a legal or equitable interest in the cooperative
10 apartment building, other than a leasehold interest. For
11 purposes of this Section, the term "life care facility" has the
12 meaning stated in Section 15-170.

13 "Household", as used in this Section, means the owner, the
14 spouse of the owner, and all persons using the residence of the
15 owner as their principal place of residence.

16 "Household income", as used in this Section, means the
17 combined income of the members of a household for the calendar
18 year preceding the taxable year.

19 "Income", as used in this Section, has the same meaning as
20 provided in Section 3.07 of the Senior Citizens and Disabled
21 Persons Property Tax Relief and Pharmaceutical Assistance Act,
22 except that "income" does not include veteran's benefits.

23 In a cooperative where a homestead exemption has been
24 granted, the cooperative association or its management firm
25 shall credit the savings resulting from that exemption only to
26 the apportioned tax liability of the owner who qualified for

1 the exemption. Any person who willfully refuses to so credit
2 the savings shall be guilty of a Class B misdemeanor.

3 Where married persons maintain and reside in separate
4 residences qualifying as homestead property, each residence
5 shall receive 50% of the total reduction in equalized assessed
6 valuation provided by this Section.

7 In all counties, the assessor or chief county assessment
8 officer may determine the eligibility of residential property
9 to receive the homestead exemption and the amount of the
10 exemption by application, visual inspection, questionnaire or
11 other reasonable methods. The determination shall be made in
12 accordance with guidelines established by the Department,
13 provided that the taxpayer applying for an additional general
14 exemption under this Section shall submit to the chief county
15 assessment officer an application with an affidavit of the
16 applicant's total household income, age, marital status (and,
17 if married, the name and address of the applicant's spouse, if
18 known), and principal dwelling place of members of the
19 household on January 1 of the taxable year. The Department
20 shall issue guidelines establishing a method for verifying the
21 accuracy of the affidavits filed by applicants under this
22 paragraph. The applications shall be clearly marked as
23 applications for the Additional General Homestead Exemption.

24 In counties with fewer than 3,000,000 inhabitants, in the
25 event of a sale of homestead property the homestead exemption
26 shall remain in effect for the remainder of the assessment year

1 of the sale. The assessor or chief county assessment officer
2 may require the new owner of the property to apply for the
3 homestead exemption for the following assessment year.

4 Notwithstanding Sections 6 and 8 of the State Mandates Act,
5 no reimbursement by the State is required for the
6 implementation of any mandate created by this Section.

7 (Source: P.A. 95-644, eff. 10-12-07.)

8 (35 ILCS 200/15-177)

9 Sec. 15-177. The long-time occupant homestead exemption.

10 (a) If the county has elected, under Section 15-176, to be
11 subject to the provisions of the alternative general homestead
12 exemption, then, for taxable years 2007 and thereafter,
13 regardless of whether the exemption under Section 15-176
14 applies, qualified homestead property is entitled to an annual
15 homestead exemption equal to a reduction in the property's
16 equalized assessed value calculated as provided in this
17 Section.

18 (b) As used in this Section:

19 "Adjusted homestead value" means the lesser of the
20 following values:

21 (1) The property's base homestead value increased by:

22 (i) 10% for each taxable year after the base year through
23 and including the current tax year for qualified taxpayers
24 with a household income of more than \$75,000 but not
25 exceeding \$100,000; or (ii) 7% for each taxable year after

1 the base year through and including the current tax year
2 for qualified taxpayers with a household income of \$75,000
3 or less. The increase each year is an increase over the
4 prior year; or

5 (2) The property's equalized assessed value for the
6 current tax year minus the general homestead deduction.

7 "Base homestead value" means:

8 (1) if the property did not have an adjusted homestead
9 value under Section 15-176 for the base year, then an
10 amount equal to the equalized assessed value of the
11 property for the base year prior to exemptions, minus the
12 general homestead deduction, provided that the property's
13 assessment was not based on a reduced assessed value
14 resulting from a temporary irregularity in the property for
15 that year; or

16 (2) if the property had an adjusted homestead value
17 under Section 15-176 for the base year, then an amount
18 equal to the adjusted homestead value of the property under
19 Section 15-176 for the base year.

20 "Base year" means the taxable year prior to the taxable
21 year in which the taxpayer first qualifies for the exemption
22 under this Section.

23 "Current taxable year" means the taxable year for which the
24 exemption under this Section is being applied.

25 "Equalized assessed value" means the property's assessed
26 value as equalized by the Department.

1 "Homestead" or "homestead property" means residential
2 property that as of January 1 of the tax year is occupied (i)
3 by a qualified taxpayer as his or her principal dwelling place,~~7~~
4 or (ii) ~~that is a leasehold interest on which a single family~~
5 ~~residence is situated, that is occupied~~ as a residence by a
6 qualified taxpayer who has a legal or equitable ownership
7 interest therein, other than as a lessee, ~~evidenced by a~~
8 ~~written instrument, as an owner or as a lessee,~~ and on which
9 the person is liable for the payment of property taxes.
10 Residential units in an apartment building owned and operated
11 as a cooperative, or as a life care facility, which are
12 occupied by persons who hold a legal or equitable interest in
13 the cooperative apartment building or life care facility as
14 owners or lessees, and who are liable by contract for the
15 payment of property taxes, are included within this definition
16 of homestead property. A homestead includes the dwelling place,
17 appurtenant structures, and so much of the surrounding land
18 constituting the parcel on which the dwelling place is situated
19 as is used for residential purposes. If the assessor has
20 established a specific legal description for a portion of
21 property constituting the homestead, then the homestead is
22 limited to the property within that description.

23 "Household income" has the meaning set forth under Section
24 15-172 of this Code.

25 "General homestead deduction" means the amount of the
26 general homestead exemption under Section 15-175.

1 "Life care facility" means a facility defined in Section 2
2 of the Life Care Facilities Act.

3 "Qualified homestead property" means homestead property
4 owned by a qualified taxpayer.

5 "Qualified taxpayer" means any individual:

6 (1) who, for at least 10 continuous years as of January
7 1 of the taxable year, has occupied the same homestead
8 property as a principal residence and domicile or who, for
9 at least 5 continuous years as of January 1 of the taxable
10 year, has occupied the same homestead property as a
11 principal residence and domicile if that person received
12 assistance in the acquisition of the property as part of a
13 government or nonprofit housing program; and

14 (2) who has a household income of \$100,000 or less.

15 (c) The base homestead value must remain constant, except
16 that the assessor may revise it under any of the following
17 circumstances:

18 (1) If the equalized assessed value of a homestead
19 property for the current tax year is less than the previous
20 base homestead value for that property, then the current
21 equalized assessed value (provided it is not based on a
22 reduced assessed value resulting from a temporary
23 irregularity in the property) becomes the base homestead
24 value in subsequent tax years.

25 (2) For any year in which new buildings, structures, or
26 other improvements are constructed on the homestead

1 property that would increase its assessed value, the
2 assessor shall adjust the base homestead value with due
3 regard to the value added by the new improvements.

4 (d) The amount of the exemption under this Section is the
5 greater of: (i) the equalized assessed value of the homestead
6 property for the current tax year minus the adjusted homestead
7 value; or (ii) the general homestead deduction.

8 (e) In the case of an apartment building owned and operated
9 as a cooperative, or as a life care facility, that contains
10 residential units that qualify as homestead property of a
11 qualified taxpayer under this Section, the maximum cumulative
12 exemption amount attributed to the entire building or facility
13 shall not exceed the sum of the exemptions calculated for each
14 unit that is a qualified homestead property. The cooperative
15 association, management firm, or other person or entity that
16 manages or controls the cooperative apartment building or life
17 care facility shall credit the exemption attributable to each
18 residential unit only to the apportioned tax liability of the
19 qualified taxpayer as to that unit. Any person who willfully
20 refuses to so credit the exemption is guilty of a Class B
21 misdemeanor.

22 (f) When married persons maintain separate residences, the
23 exemption provided under this Section may be claimed by only
24 one such person and for only one residence. No person who
25 receives an exemption under Section 15-172 of this Code may
26 receive an exemption under this Section. No person who receives

1 an exemption under this Section may receive an exemption under
2 Section 15-175 or 15-176 of this Code.

3 (g) In the event of a sale or other transfer in ownership
4 of the homestead property between spouses or between a parent
5 and a child, the exemption under this Section remains in effect
6 if the new owner has a household income of \$100,000 or less.

7 (h) In the event of a sale or other transfer in ownership
8 of the homestead property other than subsection (g) of this
9 Section, the exemption under this Section shall remain in
10 effect for the remainder of the tax year and be calculated
11 using the same base homestead value in which the sale or
12 transfer occurs.

13 (i) To receive the exemption, a person must submit an
14 application to the county assessor during the period specified
15 by the county assessor.

16 The county assessor shall annually give notice of the
17 application period by mail or by publication.

18 The taxpayer must submit, with the application, an
19 affidavit of the taxpayer's total household income, marital
20 status (and if married the name and address of the applicant's
21 spouse, if known), and principal dwelling place of members of
22 the household on January 1 of the taxable year. The Department
23 shall establish, by rule, a method for verifying the accuracy
24 of affidavits filed by applicants under this Section, and the
25 Chief County Assessment Officer may conduct audits of any
26 taxpayer claiming an exemption under this Section to verify

1 that the taxpayer is eligible to receive the exemption. Each
2 application shall contain or be verified by a written
3 declaration that it is made under the penalties of perjury. A
4 taxpayer's signing a fraudulent application under this Act is
5 perjury, as defined in Section 32-2 of the Criminal Code of
6 1961. The applications shall be clearly marked as applications
7 for the Long-time Occupant Homestead Exemption and must contain
8 a notice that any taxpayer who receives the exemption is
9 subject to an audit by the Chief County Assessment Officer.

10 (j) Notwithstanding Sections 6 and 8 of the State Mandates
11 Act, no reimbursement by the State is required for the
12 implementation of any mandate created by this Section.

13 (Source: P.A. 95-644, eff. 10-12-07.)".